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DEPT FOR P (BAME), EUR/NB (MIDDLETON, MAHER)
SECDEF FOR OSD/P (FATA, HURSCH, CLINE), OSD/RA (COSTA)
OSLO FOR DATT

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TAGS: [MARR](#) [PREL](#) [NATO](#) [IC](#)

SUBJECT: Iceland: Pressing for movement on air defense radar issues

Refs: A) 06 Reykjavik 357

B) J. Hursch email 23 February 2007

C) Hursch-Stevens-Evans emails 21 March 2007

Sensitive but Unclassified -- entire text. Not for internet distribution.

¶1. (SBU) Summary: The Icelandic Government is sending ever-clearer messages that it wants visible progress in U.S.-Iceland discussions on the NATO-owned Iceland Air Defense System (IADS) radar sites, for which U.S. funding expires in August 2007. In a March 30 meeting with the Ambassador, Jon Egil Egilsson, Head of the Ministry for Foreign Affairs Defense Department, pressed hard for another round of bilateral U.S.-Iceland talks on the system -- and specifically, the possibility of U.S.-funded upgrades to the system -- as soon as possible this month. Egilsson noted that February 23 talks in Brussels between the two sides were a fruitful start, but argued that clarity regarding U.S. intentions was necessary before Iceland could properly approach NATO about the future of the system (i.e., ask NATO to foot the rest of the bill). Post is highly appreciative of Washington efforts on this issue, which will be an extremely sensitive point for the host government up to and beyond the August 15, 2007 date when current U.S. obligations to fund IADS expires. End Summary.

¶2. (SBU) Background: In October 2006, concurrent with the closure of Naval Air Station Keflavik, Secretary Rice and Icelandic Prime Minister Haarde signed a "Joint Understanding" to set the future course for U.S.-Iceland security cooperation (Ref A). Among other things, the agreement called for the cessation of US funding for the Iceland Air Defense System (IADS) -- a NATO-owned network of four radar sites used for air traffic control and airspace monitoring purposes -- effective 15 August 2007. The Joint Understanding further expressed the intent to discuss bilaterally and with NATO the funding and disposition of IADS and how future operations of IADS might support NATO requirements. The first bilateral discussion on the future of IADS took place 23 February 2007 in Brussels between a DOD-led U.S. delegation and an Icelandic delegation (Ref B). Head of the Ministry for Foreign Affairs Defense Department Egilsson requested a meeting with the Ambassador on 30 March to discuss the state of play and push for the next round of talks as soon as possible.

¶3. (SBU) According to Egilsson, the critical issue for the GOI is upgrades to the system. The U.S. initiated various upgrades to IADS prior to the closure of NAS Keflavik, but terminated these projects when the base closed on 30 September 2006. Egilsson stated that it is Iceland's intention to maintain IADS and to integrate it into the

NATO Integrated Air Defense System (NATINADS) with long range support coming from NATO. He further stated that there are certain functions that Iceland cannot provide on its own, which are critical to the continued operation of IADS and its interoperability with NATO. He considers these upgrades vital to the sustainability of IADS and requests feedback as to USG intent to complete the upgrades. Egilsson passed three documents to the Ambassador, which he noted were already passed to the US delegation in Brussels during the February discussions (copies provided via email to EUR/NB and OSD Hursch).

¶4. (SBU) Pressing the point, Egilsson made it clear that the GOI is eager to continue discussions on IADS. Its concern is that the 15 August 2007 cutoff date for US funding is fast approaching and that in the MFA's view, many issues must be resolved bilaterally with the U.S. before GOI can adequately express its intentions to NATO. Egilsson allowed, however, that not every issue arising from the February discussions needs to be resolved in order to make the next move. For example, he stated that the cryptographic upgrades are not an issue that would impede GOI discussions with NATO. In addition, while the GOI expressed its desire for the second round of discussions to take place in Reykjavik (comment: a sure sign of the pressure Egilsson is under to show visible progress on IADS ahead of May's parliamentary elections), it did not object to another location if required to facilitate the discussion.

¶5. (SBU) Comment: Egilsson is reflecting the pinch the GOI as a whole feels to tie up loose ends on IADS, the most prominent "legacy" issue remaining from the NASKEF closure last year. This is particularly true given comments by the Prime Minister and Foreign Minister in NATO fora equating continued IADS operations with the importance of air policing for the Baltics. Post is deeply appreciative of Washington and EUCOM efforts to bring technical and policy expertise to bear in resolving this issue (Ref C), which is a critical one for the GOI and a recurring theme in every conversation

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Ambassador has on security affairs here.

van Voorst